

Message Text

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PAGE 01 PORT O 00564 180724Z
ACTION ARA-14

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SUBJECT: SUGAR AND TEXACO NEGOTIATIONS MOVING SLOWLY

1. SUMMARY. WHILE PUBLIC ATTENTION HAS BEEN FOCUSED ON THE CONTINUIN
G
DISPUTE BETWEEN BWIA AND ITS DISMISSED PILOTS, LABOR NEGOTIATIONS IN
TWO KEY INDUSTRIAL SECTORS, SUGAR AND OIL, ARE UNDER WAY BUT MOVING
SLOWLY. THE TWO SIDES IN BOTH AREAS ARE FAR APART, BUT THERE APPEARS
TO BE NO IMMEDIATE DANGER OF A STRIKE IN EITHER. MOREOVER, THE POLITI
CAL
FALLING OUT BETWEEN THE LEADERS OF THE SUGAR AND OIL WORKERS, PANDAY
AND WEEKES, MAKES THE PROSPECT OF EFFECTIVE COOPERATION BETWEEN THE
TWO UNIONS, AS OCCURED IN 1974, UNLIKELY. NOVERTHELESS, IN THE
CURRENT ATMOSPHERE OF UNCERTAINTY AS TO GOVERNMENT'S INTENTIONS IN TH
E
LABOR RELATIONS FIELD ENGENDERED BY BWIA STRIKE, THE SITUATION IN SUG
AR
AND/OR OIL MAY TURN OUT TO BE MORE VOLATILE THAN IT APPEARS AT
PRESENT. END SUMMARY.
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2. THE CURRENT BWIA PILOTS' STRIKE HAS DEFLECTED PUBLIC ATTENTION
FROM TWO IMPORTANT CONTRACT NEGOTIATIONS INVOLVING, IN ONE
CASE, BASDEO PANDAY'S ALL-TRINIDAD SUGAR ESTATES AND FACTORY
WORKERS' TRADE UNION (ATSEFWTU) AND, IN THE OTHER, GEORGE
WEEKES' OILFIELDS WORKERS' TRADE UNION (OWTU). ATSEFWTU'S
CONTRACT WITH STATE-OWNED CARONI LTD. ENDED DECEMBER 31.

THE UNION ASKED FOR A NEW THREE-YEAR CONTRACT WITH AN 80 PER CENT WAGE INCREASE OVER THE PERIOD PLUS OTHER BENEFITS, WHILE CARONI HAS OFFERED A FOUR-YEAR PACT WITH NO RAISE IN PAY BUT SOME CONCESSIONS IN THE AREA OF PENSIONS. PLEADING THE PRESSURE OF LARGE OPERATING DEFICITS, THE COMPANY ALSO HAS PUSHED FOR UNION ACCEPTANCE OF INCREASED MECHANIZATION, PROPOSALS WHICH THE UNION BELIEVES WOULD COST UP TO 4,000 JOBS OVER THE LIFE OF THE CONTRACT.

3. THUS FAR THERE HAS BEEN NO PROGRESS ON THE MAJOR ISSUES BETWEEN THE TWO SIDES. REALIZING THAT A STRIKE COULD GIVE CARONI AN EXCUSE TO FIRE WORKERS IT CONSIDERS REDUNDANT, PANDAY HAS STATED THAT HE WILL NOT CALL HIS WORKERS OUT BUT HAS INSTEAD INSTITUTED A "WORK TO RULE" POLICY -- A EUPHEMISM FOR A "GO-SLOW," HE HOPES THE COMPANY CAN BE PRESURED INTO A MORE FORTHCOMING ATTITUDE ON WAGES AND BENEFITS IN THIS WAY. OUR BEST GUESS IS THAT PANDAY WILL HAVE TO SETTLE FOR NO MORE THAN TOKEN WAGE INCREASES IN THE CURRENT NEGOTIATIONS (PM WILLIAMS HIMSELF HAS OFTEN REFERRED TO SUGAR AS A "DYING INDUSTRY" AND MADE CLEAR THAT HE FAVORS ITS EVENTUAL DISAPPEARANCE IN TRINIDAD) AND THAT HIS STANDING WITH THE UNION MEMBERSHIP WILL SUFFER AS A RESULT, THOUGH PROBABLY NOT FATALLY. IN ANU EVENT, PROSPECTS FOR AN EARLY SETTLEMENT APPEAR SLIGHT AND THE SUGAR HARVEST IS SUFFERING.

4. OWTU'S CONTRACT WITH TEXACO, THE LARGEST EMPLOYER IN THE PETROLEUM INDUSTRY, IS THE BELLWEATHER FOR NUMEROUS OTHER LIMITED OFFICIAL USE

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PETROLEUM SECTOR AGREEMENTS. THE CURRENT CONTRACT EXPIRES FEBRUARY 18. THE UNION'S DEMANDS FOR HIGHER WAGES AND FRINGES WOULD INCREASE LABOR COSTS BY 180-200 PER CENT, ACCORDING TO TEXACO ESTIMATES. THE DETAILS OF TEXACO'S COUNTERPROPOSAL TO OWTU ARE NOT AVAILABLE, BUT IT IS KNOWN THAT THE TWO SIDE ARE FAR APART. WEEKES TOLD LABOFF RECENTLY THAT AN AGREEMENT COULD BE REACHED IF BOTH SIDES WERE PREPARES "TO GIVE A LITTLE." TEXACO IS OBVIOUSLY IN NO HURRY TO MAKE MAJOR CONCESSIONS AND WHILE THE COMPANY'S LOCAL PROFITS PICTURE IS NO WHERE AS GLOOMY AS CARONI'S, IT CAN PRODUCE STRONG ECONOMIC ARGUMENTS FOR HOLDING WAGE INCREASES DOWN.

5. COMMENT. TO DATE THERE ARE NO SIGNS THAT CURRENT SUGAR AND OIL CONTRACT TALKS WILL LEAD TO STRIKES AND OTHER DISRUPTIONS THAT SIMILAR NEGOTIATIONS HAVE ENGENDERED IN THE PAST. PANDAY'S UNION IN PARTICULAR, FOR A VARIETY OF POLITICAL AND ECONOMIC REASONS, SEEMS POORLY SITUATED TO ENGAGE IN STRIKE ACTION. THERE IS AT LEAST A STRONG POSSIBILITY THAT CARONI'S (READ THE GOTT'S) INTRANSIGENCE THUS FAR ON THE WAGES ISSUE AS MUCH A POLITICALLY-MOTIVATED BLOW AIMED AT PANDAY AND HIS OPPOSITION-SUPPORTING EAST INDIAN UNION MEMBERS AS IT IS BASED ON THE CURRENT ECONOMICS OF THE

SUGAR INDUSTRY. IN ANY EVENT, IF CARONI AND TEXACO
MAINTAIN THEIR TOUGH NEGOTIATING POSTURE AND THE BWIA
STRIKE IS NOT RESOLVED REASONABLY PROMPTLY AND FAIRLY,
THE TINDER FOR A LARGE-SCALE FIRE WILL BE AVAILABLE.
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